

U.S. Department of Agriculture Foreign Agricultural Service

WTO and Agriculture What's at Stake for North Carolina?

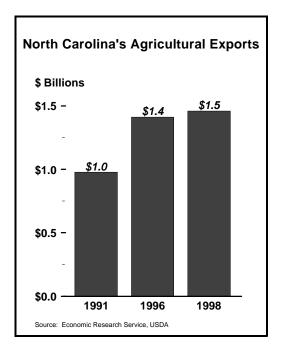
October 1999

North Carolina is an important producer of agricultural and forest products and a large exporter. Fishery products are also important. In 1998, the state's total cash receipts from farming reached

\$7.2 billion. Forest product shipments totaled \$3.9 billion in 1996, and commercial fish landings were \$105 million in 1998. As for exports, the state ranked 11th among all 50 states in 1998 with agricultural shipments estimated at \$1.5 billion. These exports help boost farm prices and income, while supporting about 22,800 jobs both on and off the farm in food processing, storage and, transportation. Exports are important to North Carolina's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports ranged from 18 to 20 percent since 1991.

The top five agricultural exports in 1998 were:

- # tobacco leaf -- \$573 million
- # poultry and products -- \$303 million
- # live animals and red meats -- \$149 million
- # soybeans and products -- \$129 million
- # cotton -- \$126 million



World demand is increasing, but so is competition among suppliers. If North Carolina's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

North Carolina Benefits From Trade Agreements

- # North Carolina, one of the largest poultry producers, benefits from the Uruguay Round as South Korea grants unlimited access for frozen chicken at a 20 percent tariff by 2004. Poland opened market access equal to 8.5 percent of domestic consumption. The Philippines opened a tariff-rate quota for 14,000 tons of chicken, which will reach 23,500 tons by 2004.
- # The nation's second largest pork producer, North Carolina benefits under the Uruguay Round as EU export subsidies for pork are cut 21 percent (volume) by 2000. Korea eliminated all volume restrictions for frozen pork, and the 33-percent tariff will fall to 25 percent by 2004.
- # North Carolina, the nation's largest tobacco producer, benefits under the Uruguay Round as Argentina, Brazil, Turkey and others will reduce import duties on tobacco and products.
- # Under the Uruguay Round, major U.S. trading partners are reducing their tariffs 28 percent on

average for wood products.